

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---ooOoo---

IN THE MATTER OF TENTATIVE
DECISION TO APPROVE A LARGE
MINING AND RECLAMATION PLAN
FOR DENNISON MINES (USA) CORP
TONY M MINE

:

:

:

NOTICE OF TENTATIVE
DECISION TO APPROVE
NO. M0170049

---ooOoo---

Notice is hereby given by the Division of Oil, Gas and Mining of its tentative decision to approve the Large Mining Operations Notice of Intention for Dennison Mines (USA) Corp, Tony M Mine. Mining activities will affect the following area: Sections 8, 9, 16, 17 and 21, Township 35 South, Range 11 East, SLBM, Garfield County, Utah.

Dennison Mines (USA) Corp. has filed a notice to permit a large mining operation about 50 miles south of Hanksville and 15 miles north of the Bullfrog Marina on the south flank of the Henry Mountains in Garfield County, Utah. Reclamation surety will be posted to assure reclamation of the 48.45 acres of disturbance on land managed by the Bureau of Land Management and the School and Institutional Trust Lands Administration.. The operator will extract uranium and vanadium ore through underground mining techniques. This ore will be shipped to an off-site processing facility. Following mining, all mine openings will be sealed, facilities reclaimed (except for public roads), the site regraded, topsoiled, and revegetated. The complete Notice may be viewed at the Division's Public Information Center.

Any person or agency aggrieved by this tentative decision to issue approval is hereby requested to submit written protest within thirty (30) days of the date of publication to Mary Ann Wright, Associate Director of Mining, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801, setting forth factual reasons for the complaint and if a hearing is desired.

If no responsive written protests are received by the Division within 30 days after the last date of publication, the tentative decision of the Division will be final.

DATED THIS 10th day of May, 2007

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING


Mary Ann Wright
Associate Director, Mining

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Decision to Approve the Large Mining Notice of Intention for Dennison Mines (USA) Corp., Tony M Mine, M0170049, to be sent via facsimile, electronic mail, or mailed by first class mail, postage prepaid, the 11 day of May, 2007 to:

FACSIMILE: 237-2776 and
E-MAIL: naclegal@nacorp.com
Salt Lake Tribune
Advertising Department
116 Regent Street
P.O. Box 45838
Salt Lake City, Utah 84145

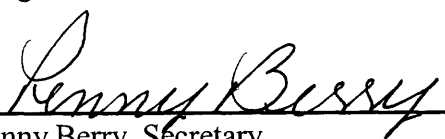
FACSIMILE: 237-2776 and
E-MAIL : naclegal@nacorp.com
Deseret Morning News
Legal Advertising
116 Regent Street
P.O. Box 45838
Salt Lake City, Utah 84145

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 4486

Harold Roberts
Dennison Mines (USA) Corp.
1050 17th Street, Suite 950
Denver, Colorado 80265

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 4493

Garfield County
Courthouse
55 South Main
P.O. Box 77
Panguitch, Utah 84759


Penny Berry, Secretary

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Decision to Approve the Large Mining Notice of Intention for Dennison Mines (USA) Corp., Tony M Mine, M0170049, to be sent via facsimile, electronic mail, or mailed by first class mail, postage prepaid, the 15 day of May, 2007 to:

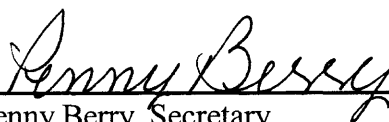
FACSIMILE: 237-2776 and
E-MAIL: naclegal@nacorp.com
Salt Lake Tribune
Advertising Department
116 Regent Street
P.O. Box 45838
Salt Lake City, Utah 84145

FACSIMILE: 237-2776 and
E-MAIL: naclegal@nacorp.com
Deseret Morning News
Legal Advertising
116 Regent Street
P.O. Box 45838
Salt Lake City, Utah 84145

* FACSIMILE: 435-678-3902
E-MAIL: panorama@citlink.net
Blue Mountain Panorama
329 West 400 North
P.O. Box 636
Blanding, Utah 84511-0636

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 4493

Garfield County
Courthouse
55 South Main
P.O. Box 77
Panguitch, Utah 84759


Penny Berry, Secretary

P:\GROUPS\MINERALS\WP\M017-Garfield\M0170049-
TonyM\Final\public-notice-TonyM.doc

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 4486

Harold Roberts
Dennison Mines (USA) Corp.
1050 17th Street, Suite 950
Denver, Colorado 80265

EXECUTIVE SUMMARY

Date Summary Prepared: May 7, 2007

| | |
|---|--|
| Mine Name: Tony M | I.D. Number: M0170049 |
| Operator: Dennison Mines (USA) Corp | Date Original Notice Received: November 20, 2006 |
| Address: 1050 17 th , Suite 950 Denver, Colorado 80265 | County: Garfield |
| | New/Existing: New LMO on site of Existing LMO |
| | Mineral Ownership: BLM and SITLA |
| Telephone: 303-628-7798 | Surface Ownership: BLM and SITLA |
| Contact Person: Harold Roberts | Lease No.(s): SITLA Lease ML-49703-OBA; 193 Federal Claims; BLM Project Number UTU-80023 |
| Telephone: 303-628-7798 | Permit Term: Life of Mine |

Life of Mine: Phase 1 about 2-3 years. Phases 2 and 3 may extend the life of mine to 25 years or more.

Legal Description: Sections 8, 9, 16, 17, and 21, Township 35 South, Range 11 East, SLBM

Mineral(s) to be Mined: Uranium and Vanadium

Acres to be Disturbed: 48.45

Present Land Use: Wildlife Habitat, Grazing, and Recreation

Postmining Land Use: Wildlife Habitat, Grazing, and Recreation

Variances from Reclamation Standards (Rule R647) Granted: None.

Soils and Geology

Soil Description: The majority of the area is previously disturbed and is covered with a white, sandy waste material. Soils near the evaporation pond are derived mostly from shale, and the majority of other soils formed in alluvium and are derived from sandstone and shale.

pH: 7.4-8.7. Most samples had a pH of about 8.0.

Special Handling Problems: The operator will salvage the surface of the waste rock for later use in reclamation. After mining, the operator will sample clay in the evaporation pond for radioactive materials. The results will be compared with background levels, and, if warranted, the sediment will be put in the mine.

Geology Description: The mine is on the south flank of the Henry Mountains, and the terrain is relatively flat except where it is incised by steep-walled canyons with ephemeral streams. Formations exposed within the project

pass through two sediment ponds. There will be no discharge from the evaporation water pond. Other sediment controls will be used in remote areas.

Air quality will be protected in accordance with provisions in the project's Air Quality Operating Permit. Fugitive dust will be controlled through enforcement of speed limits and treatment of roads with water or magnesium chloride.

The current mining proposal is for the first of three phases. During Phase 1, the primary focus will be to construct surface facilities and rehabilitate existing main declines and extend them farther north. Ultimately, the operator intends to mine about 10,000 tons of ore monthly.

After Operations:

Facilities that will be left following mining are the county and State/BLM road that runs through the canyon to the top of the plateau, and a permanent catch basin and diversion. There is a water well on State of Utah land which may be transferred to the Trust Lands Administration. Other facilities will be demolished and, as appropriate, recycled, hauled to a disposal facility, or, in the case of concrete, buried on site. Pond sediments will be sampled and tested, and they will be disposed of in the mine if they do not meet certain criteria. Vent holes will be reclaimed by welding a steel plate over the casing and placing a reinforced concrete cap over the steel plate. This will then be covered with three or four feet of soil. Portals will be backfilled for a distance of about 30 feet then backfilling the portal openings.

Following demolition and regrading, soil or substitute soil will be spread in all areas except the access roads to the north and south adits, the vent hole pads and access roads, and the evaporation pond. Stockpiled waste will be spread over the waste pile, and this will be inoculated with mycorrhizal fungi. All areas will then be seeded.

Surety

Amount:

Form:

Renewable Term:

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

| | |
|---|---|
| 1. State Agency: Division of Oil, Gas and Mining | 2. Approximate date project will start: July 2007 |
| 3. Title of proposed action: Tony M Mine M0170049 Dennison Mines (USA) Corp 1050 17 th Street, Suite 950 Denver, Colorado 80265 | |
| 4. Description of Project: <p>Dennison Mines intends to reopen the Tony M Mine where reclamation was completed in 2004. The plan includes opening two new vent holes and reopening five vents that were used in previous operations, reopening four portals, and rebuilding a dam to hold water pumped from the mine. A large part of the area in front of the main portals is covered with mine waste, and the surface of this area would be stripped for a growth medium. Most other areas have soil that would be stripped and stockpiled. Drainage from the main surface facilities area would pass through two sediment ponds. There will be no discharge from the mine water evaporation pond. Other sediment controls will be used in remote areas.</p> <p>Air quality will be protected in accordance with provisions in the project's Air Quality Operating Permit. Fugitive dust will be controlled through enforcement of speed limits and treatment of roads with water or magnesium chloride.</p> <p>The current mining proposal is for the first of three phases. During Phase 1, the primary focus will be to construct surface facilities and rehabilitate existing main declines and extend them farther north. Ultimately, the operator intends to mine about 10,000 tons of ore monthly.</p> | |
| 5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) | |
| 6. Possible significant impacts likely to occur: Significant impacts are not anticipated. Of the 48.45-acre disturbed area, all but 1.28 acres has been previously disturbed. There is a potential for higher radiation levels in mine waste and sediments in the evaporation pond, but the operator has committed to monitoring and mitigation. | |
| 7. Identify local government affected a. Has the government been contacted: b. When: c. What was the response? d. If no response, how is the local government(s) likely to be impacted? | |
| 8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: | |

a. Has the representative and senator been contacted? NA

9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1)

Five County Association of Governments

John Williams, Executive Director
Post Office Box 1550
906 North 1400 West
St George, UT 84771-1550 Phone (435) 673-3548

10. For further information, contact:

Paul Baker
Phone: 801-538-5261

11. Signature and title of authorized officer

Date: *Susan M. White 5/10/2007*

INSTRUCTIONS

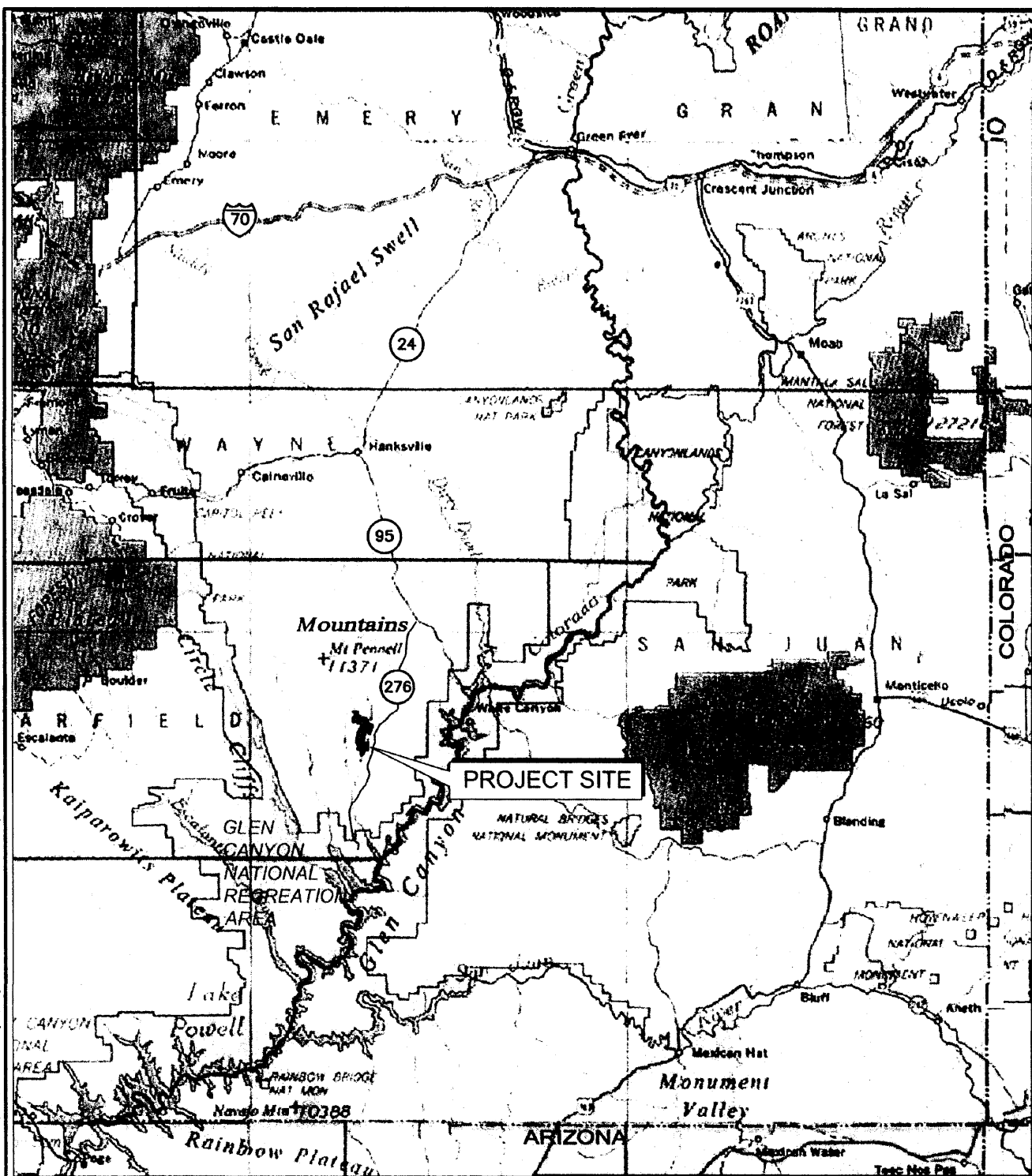
Whenever a State agency proposes or is administratively responsible for an action not exempted, it shall complete a State Action form and forward one copy to the Public Lands Policy Coordination Office and the affected areawide clearinghouse(s)

Questions encountered with the areawide clearinghouse review should be directed to the areawide clearinghouse. The Public Lands Policy Coordination Office will wait for the affected areawide clearinghouse(s) to complete their review before issuing a final clearance to the originator on this STATE ACTION.

UTAH STATE AND AREAWIDE CLEARINGHOUSES

| <u>AREAWIDE CLEARINGHOUSES</u> | <u>MONTHLY MEETINGS</u> | <u>COUNTIES</u> |
|--|-------------------------------------|--|
| 1 <u>Bear River Association of Governments</u> Roger Jones, Executive Director 170 North Main, Room 2 Logan, UT 84321 Phone (435) 752-7242 | 3 rd Tuesday 1:00 p.m. | Box Elder Cache Rich |
| 2 <u>Five County Association of Governments</u> John Williams, Executive Director Post Office Box 1550 906 North 1400 West St George, UT 84771-1550 Phone (435) 673-3548 | 2 nd Wednesday 1:30 p.m. | Beaver Garfield Iron Kane Washington |
| 3 <u>Mountainland Association of Governments</u> Darrell Cook, Executive Director 586 East 800 North Orem, UT 84097-4146 Phone (801) 229-3800 | 4 th Wednesday 7:00 p.m. | Summit Utah Wasatch |
| 4 <u>Six County Association of Governments</u> Russell Cowley, Director Post Office Box 820 250 North Main Richfield, UT 84701 Phone (435) 896-9222 | 2 nd Wednesday 1:00 p.m. | Juab Millard Piute Sanpete Sevier Wayne |
| 7 <u>Southeastern Utah Association of Governments</u> Bill Howell, Executive Director 375 S. Carbon Avenue Post Office Box 1106 Price, UT 84501-0881 Phone (435) 637-5444 | 3 rd Thursday 1:00 p.m. | Carbon Emery Grand San Juan |
| 5 <u>Uintah Basin Association of Governments</u> Curtis Dastrup, Executive Director 855 East 200 North (112-3) Roosevelt, UT 84066 Phone (435) 722-4518 | 3 rd Thursday 1:00 p.m. | Daggett Duchesne Uintah |
| 6 <u>Wasatch Front Regional Council</u> Wilbur R. Jefferies, Exec. Dir 420 West 1500 South, Suite 200 Bountiful, UT 84010 Phone (801) 292-4469 | 4 th Thursday 3:00 p.m. | Davis Morgan Salt Lake Tooele Weber |

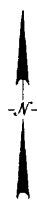
S:\Project\USA\T05 Tony M Bullfrog Plans and Permits\GIS\CAD Drawings\ Fig_1_Site Location Tony Mine.dwg 02/27/2007 debarah ford DMI



LEGEND



APPROXIMATE SITE BOUNDARY



10 0 10 20
SCALE: 1" = 20 MILES



DENISON MINES

Project

TONY M. MINE

County: Garfield

State: Utah

Location: T 34-35 S, R 11-12 E

DSGN: FJF

DRN: DMF

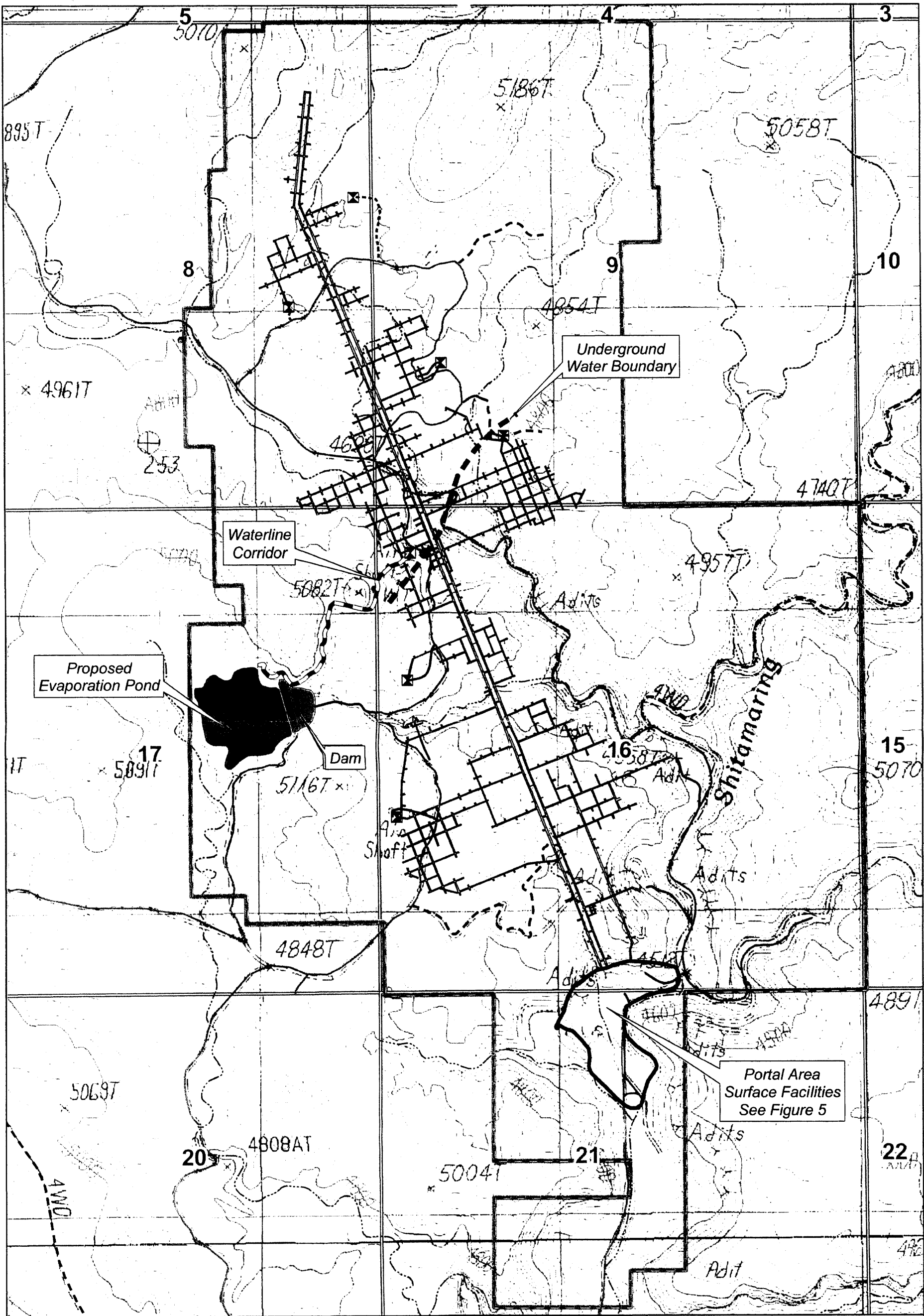
DATE: 02/27/2007

REVISION:

FIGURE 1 PROJECT LOCATION MAP



TETRA TECH EM INC.



Legend

- | | |
|-----------------------------------|--------------------------|
| ✕ Existing Vent Hole | — Phase 1 Boundary |
| ▣ Proposed Vent Hole | - - - Ephemeral Drainage |
| — Existing Road | == Underground Workings |
| — Reconstructed Road | — Section Line |
| - - - Proposed Road | |
| - - - Existing 4-Wheel Drive Road | |



1,000 0 1,000
Feet



DENISON MINES

| | | |
|-----------------------|-------------|--------------------------------|
| Project: TONY M. MINE | | |
| County: Garfield | State: Utah | Location: T 34-35 S, R 11-12 E |
| DSGN: FJF | DRN: KDC | Date: 09/03/2006 Revision: 3 |

**FIGURE 3
TOPOGRAPHIC BASE MAP**



TETRA TECH EM INC.